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No. 09-198

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

MEDELA AG AND MEDELA, INC.,
Petitioners,

v.

KINETIC CONCEPTS, INC.,
KCI LICENSING, INC., KCI USA, INC.,
AND WAKE FOREST UNIVERSITY HEALTH SCIENCES,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF FOR APPLE, INC., CISCO SYSTEMS, INC., GOOGLE, INC., MICROSOFT CORP., SYMANTEC CORP., AND YAHOO!, INC. AS *AMICI CURIAE* SUPPORTING PETITIONERS

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Apple, Inc., Cisco Systems, Inc., Google, Inc., Microsoft Corp., Symantec Corp., and Yahoo!, Inc. (*Amici*) are high-technology leaders, whose innovative products and services have gained worldwide recognition. Their research and development investments have led to important patents protecting the technology at the heart of their products and services.

Because patent rights are important to *Amici*, they appreciate the importance of a healthy patent system. At the same time, their products and services are the targets of frequent infringement assertions. Based on *Amici's* balance of interests as well as their extensive experience with the patent litigation system, they provide the Court with their views on the issues before this Court, including centrally the proper role of the judiciary in determining whether a patent is "non-obvious" as required by 35 U.S.C. § 103. *Amici* are hopeful that the views expressed in this brief will assist the Court in addressing the important question presented by the petition.[1]

INTRODUCTORY STATEMENT

Determining when a claimed invention is "obvious" is a difficult task that can be vexing even

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[1] *Amici* provided counsel of record with notice of their intent to file this brief more than ten days prior to the due date, as required by Supreme Court Rule 37.2(a). All parties have consented to the filing of this brief. In accordance with Supreme Court Rule 37.6, *Amici* state that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than *Amici* or its counsel.

for the most diligent and conscientious decision-maker. This legal problem presents such a challenge because it can involve, among other things, the complicated consideration of when one entity should be given exclusive rights to an incrementally new technique. Standing alone, this issue implicates thorny line-drawing problems for judges, as this Court documented recently in *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007).

But it does *not* stand alone. The inherent challenges in deciding what is legally "obvious" are exacerbated by the Federal Circuit authority that encourages courts to delegate their responsibility for the obviousness determination to jurors. In practice, this results in both district courts and the Federal Circuit failing to perform express obviousness analyses themselves, even though this Court has repeatedly held it is an issue of law that should be analyzed explicitly. This misapplication of this Court's obviousness jurisprudence has created practical litigation problems that are so chronic that the issue is particularly worthy of the close attention of this Court.

Indeed, a question remarkably similar to the one presented here was of sufficient interest to this Court for it to have granted certiorari in the recent past. *See American Airlines, Inc. v. Lockwood*, 515 U.S. 1121 (1995) (No. 94-1660) (presenting the question of the respective roles of the judge and juries relating to patent invalidity). Unfortunately, the proper role of a judge in deciding issues of obviousness was not clarified in *Lockwood* because the private parties mooted the issue before this Court could resolve the case. This case presents a

fresh opportunity for this Court to address this issue, which has only become more important as an increasing number of patent cases are tried to juries.

The question now presented for review is whether judges can and should conduct an independent determination of obviousness, even when the issue has been submitted to a jury. *Amici* respectfully urge this Court to grant the petition to consider the proper role of courts in deciding obviousness when factual questions are present. Because of the character of the patent right and to address the awkward split of responsibility between the court and the jury that currently plays out in district courts every day, judges should be expressly and unambiguously given the authority to fulfill their responsibility to address the legal question of obviousness based on a plenary evaluation of the record.

SUMMARY OF ARGUMENT

This Court should grant the petition so as to reaffirm its prior rulings that judges—not juries—bear the responsibility, and have the authority, to analyze the legal question of whether an asserted patent meets the nonobviousness requirement of 35 U.S.C. § 103(a). This rule is not being followed. Clarifying the paramount role of the judiciary in resolving the legal question of obviousness would solve the myriad practical problems currently experienced on a daily basis throughout the national jurisdiction of the Federal Circuit.

In *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966), this Court continued the centuries-old quest for a "more practical test" for obviousness. *Id.*

at 17. The Court confirmed that the obviousness determination is a question of law for the court based on underlying factual questions, including the scope and content of the prior art, differences between the prior art and the claims at issues, and the level of ordinary skill in the pertinent art. *Id.*

As the *Graham* framework is currently implemented in the lower courts, however, the entire issue of obviousness is usually tried to a jury upon a general verdict. The potential alternative under current Federal Circuit law is to ask the jury to answer, through an essay or otherwise, the often dense factual questions identified in *Graham* via special interrogatory or special verdict. But given the breadth and complexity of those factual questions in many cases (albeit not always), this can be far too cumbersome and impractical. While some experimentation has been attempted, little headway has been made in preserving the role of the courts in deciding obviousness where underlying factual questions exist.

For such reasons, general jury verdicts regarding obviousness, such as that employed in the present case, have become commonplace, if not standard practice. Yet, such general verdicts on the ultimate legal question of obviousness inadvisably sideline judges from fulfilling their critical responsibility to decide this important legal issue. Such verdicts, which are inherently silent about the underlying facts found by the jury on the *Graham* factors, effectively prevent independent judicial review of the legal question of obviousness.

Compounding this trial level problem, these general verdicts also thwart full appellate review

because appellate judges cannot look inside the "black box" of a jury verdict and instead must assume every fact and inference in favor of the jury to the extent possible. As Chief Judge Michel has put it himself, under Federal Circuit precedent, "a general jury verdict on the legal question of obviousness is essentially immune" from judicial review because judges must assume that the jury found whatever facts and made whatever inferences were required to reach the verdict and then affirm that verdict so long as there is substantial evidence in the record to support those facts. *See McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1358 (Fed. Cir. 2001) (Michel, J., dissenting).

The process of reviewing the factual determinations "implicit within the verdict," as advocated by the Federal Circuit blocks judges from fulfilling their duty to make a legal determination of obviousness even though that is expressly contemplated by this Court's jurisprudence. *See McGinley*, 262 F.3d at 1351 (noting that appellate review of a district court's judgment as a matter of law overturning a jury verdict of nonobviousness involves "re-creating the facts as they may have been found by the jury"). This problem is magnified if, as here, the district judge fails to make explicit factual findings in ruling on a motion for JMOL. *See* Petitioners' Br. App. D at 11 (simply finding "sufficient evidence to justify the jury's verdict" by deferring to the jury's credibility determinations regarding the expert testimony presented at trial). This practical reality is not only in conflict with this Court's most recent instructions regarding the application of § 103, but also with the decisions of other circuit courts prior to the inception of the

Federal Circuit concerning the proper degree of deference accorded to a jury verdict on the issue of obviousness.

In short, the jury's effective dominion over the legal question of obviousness in the real world is at odds with the goal of "uniformity and definiteness" in the application of obviousness law to the public grant of a patent that this Court so emphasized in *Graham*. 383 U.S. at 18. It is also at odds with this Court's statement in *KSR* that the findings and reasoning underlying an obviousness conclusion should be "express" to enable judges to fulfill their important responsibility in this area. 550 U.S. at 418.

This Court should therefore grant the petition for a writ of certiorari to address this issue of considerable national importance.

ARGUMENT

I. THIS COURT SHOULD GRANT THE PETITION TO REVIEW WHETHER JUDGES SHOULD INDEPENDENTLY RESOLVE OBVIOUSNESS ISSUES NOTWITHSTANDING A JURY VERDICT

Allowing juries to render general verdicts on the legal question of obviousness has become routine and has been repeatedly blessed by the Federal Circuit. Since *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542 (Fed. Cir. 1983), the Federal Circuit has consistently held that it is not reversible error for a district judge to surrender the ultimate legal determination of a patent's validity to a jury as long as it retains some control over the ultimate legal issue by reviewing the jury's verdict on motions for judgment as a matter of law or for a new trial. But, in the now-typical circumstance of a general verdict,

the district judge retains control over the obviousness issue in only an attenuated sense.

The practical reality is that the use of general verdicts not only prevents judges from analyzing the question of obviousness based on actual fact findings but also results in inappropriate deference to the jury's ultimate determination of a legal issue. This result is a natural consequence of the Federal Circuit's caselaw holding that implicit factual findings in support of a general verdict of obviousness (or nonobviousness) are only reviewed for substantial evidence. This Court should grant the petition for certiorari to reaffirm that judges, not juries, bear the ultimate responsibility of ruling on issues of law and must therefore engage in an independent assessment of whether an asserted patent is obvious.

A. Federal Circuit Precedent Encourages Judges to Abdicate their Responsibility to Decide Obviousness Issues

In *Graham*, the Court made clear that "the ultimate question of patent validity is one of law," albeit one that is founded on "several basic factual inquiries." 383 U.S. at 17. In stating the basic obviousness test, the *Graham* Court explained the importance of uniformity and consistency to obviousness decision-making:

> That provision [Section 103] paraphrases language which has often been used in decisions of the courts, and the section is added to the statute for ***uniformity and definiteness***.
>
> ***

> We believe that strict observance of the requirements laid down here will result in that ***uniformity and definiteness*** which Congress called for in the 1952 Act.

Id. at 17-18 (emphasis added).

Recently, in *KSR*, this Court explicitly reaffirmed that "[t]he ultimate judgment of obviousness is a legal determination." *KSR*, 550 U.S. at 427. The Court proceeded to assume that the factual determinations upon which the legal conclusion of obviousness is based should be found by the judge, not jurors:

> Often, it will be necessary for a *court* to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. *To facilitate review, this analysis should be made explicit.*"

Id. at 418 (emphasis added). Not only does this passage suggest that the proper decision-maker is a judge, not a jury, but also that allowing a jury to simply reach a verdict on the ultimate question of

obviousness would be improper and harmful to the health of the appellate processes.[2]

Under Federal Circuit precedent, however, once rendered, a jury verdict on obviousness may not be ignored "as though the jury had never been impaneled, had never been instructed on the issue, had never considered the issue, and had never rendered a verdict based on its conclusion." *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F2d 888, 895 (Fed. Cir. 1984) (further noting that the district judge reviewed "the jury's presumed findings"). Instead, the Federal Circuit encourages judges, as it did here, *see* Petitioners' Br. App. A, to make assumptions about the jury's factual findings and review such hypothetical findings which are "implicit within the verdict" to determine whether they are supported by substantial evidence. *McGinley*, 262 F.3d at 1351. This leads to the perverse result that district judges effectively bend over backwards to give deference to a jury verdict on obviousness rather than conduct an independent assessment of the underlying facts and determination of the legal issue.

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[2] Experience has quickly proven that the legal standards set forth in *KSR* are not readily packaged into digestible jury instructions that can be applied easily by juries. Indeed, even a cursory review of the *KSR* opinion demonstrates that its exposition on obviousness law was written for a judge to interpret and apply, not jurors.

B. Special Verdicts Theoretically Could Facilitate Judicial Review of A Jury's Findings But Are Frequently Cumbersome and Impractical

In the absence of guidance from the Federal Circuit, the process of drafting jury instructions and verdict forms on the issue of obviousness has become a complex battleground. The legal determination of obviousness is a complicated inquiry that depends on many factors. As Petitioners point out, *see* Br. at 18, most textbooks on patent law devote entire chapters totaling hundreds of pages to explaining obviousness. Indeed, an entire volume of Professor Chisum's well-regarded treatise on patents concerns obviousness law. In contrast, even the most thorough jury instructions on obviousness will be inadequate to capture these legal nuances. *See, e.g.*, American Intellectual Property Law Association, *Guide to Model Patent Jury Instructions*, available at http://www.aipla.org/Content/ContentGroups/Publications1/Guide_to_Model_Patent_Jury_Instructions.htm; The National Jury Instruction Project, *Model Patent Jury Instructions*, available at http://www.nationaljuryinstructions.org/documents/NationalPatentJuryInstructions.pdf.

As described in further detail below, it has been suggested that district courts could allow juries to make factual findings on a special verdict or to answer special interrogatories. *See Structural Rubber Prods. v. Park Rubber Co.*, 749 F.2d 707, 718 (Fed. Cir. 1984) (encouraging the use of special verdict questions to aid in the review of jury determinations which are otherwise "a black box in

which patents are thrown and emerge intact or invalid by an unknown and unknowable process"). Indeed, before being appointed to the Federal Circuit herself, Judge Moore argued that the Federal Circuit *should* mandate the use of such forms, observing that "district court judges will likely appreciate the guidance from the Federal Circuit on the form of the verdicts." *See* Hon. Kimberly A. Moore, *Juries, Patent Cases, & a Lack of Transparency*, 39 Hous. L. Rev. 779, 799 (2002).

But this approach has its own challenges and is impractical in many cases. Imagine the fact findings in *Graham*, *KSR*, or any other case in this Court's obviousness jurisprudence being written up and agreed upon by a lay jury such that it provides a solid and thorough factual foundation for the district judge, or an appellate court, to make an obviousness determination. For a patent case involving multiple patents, each with numerous claims, the special verdict forms could easily consist of a laundry list of questions relating to obviousness that could be dozens of pages long.

In one of the rare cases where such verdicts were attempted, these questions (and answers) pertained to the secondary considerations that the jury was asked to consider, which is only *one* of the factual areas mandated in *Graham* as part of the obviousness analysis:

> *Whether or not you found the subject matter of any claim of the '051 patent invalid under § 103 in response to question number 2, state below whether any of the following objective*

factors/secondary considerations regarding the '051 patent are established in the evidence:

Whether there was a long-felt need which the subject matter as a whole of the '051 patent fulfilled at the time the invention was made?

YES X NO

Whether others tried but failed to solve the problems addressed by the subject matter of the '051 patent?

YES NO X

Whether the subject matter as a whole of the '051 patent was praised by experts in the industry?

YES X NO

Whether the subject matter as a whole of the '051 patent was praised by the defendants?

YES X NO

Whether the defendants, in infringing the '051 patent, chose not to use the prior art Goodyear design?

YES X NO

Whether the defendants copied the invention of the '051 patent?

YES NO X

Whether the plaintiff's SAF & DRI crossing achieved commercial success?
YES X NO

If you found commercial success as to the SAF & DRI crossing, was it attributable to the claimed invention in the '051 patent?
YES X NO

Whether the Parko crossing achieved commercial success?
YES X NO

If you found commercial success as to the Parko crossing, was it attributable to the claimed invention in the '051 patent?
YES NO X

See Moore, *supra*, at 789-90 (reproducing questions from the Special Verdict Form used in *Structural Rubber Prods. Co. v. Park Rubber Co.*, Case No. 79-CV-1223) (N.D. Ill.)).

In another attempt to test the use of a special verdict, the district judge asked the jury to make these underlying factual findings *and* the ultimate determination of whether the asserted claims were obvious. The special verdict form included the following questions (and answers):

Question 4. Do you find that the following secondary considerations of non-obviousness existed in this case?

(A "YES" answer is an answer for Asyst, a "NO" answer is an answer for Jenoptik.)

a. Commercial success of the invention.

YES X NO

b. A long felt need for the solution provided by the invention

YES X NO

c. Acceptance by others of the invention in the asserted claims of the '421 patent as shown by praise from others in the field or by licensing of the invention claimed.

YES X NO

Question 5. In light of all the evidence, do you find that Jenoptik proved that it is highly probable that the one of ordinary skill in the art in May of 1987 would have found the asserted claims of the '421 patent obvious in view of Hesser and the prior art?

(A "YES" answer is an answer for Jenoptic, a "NO" answer is an answer for Asyst.)

a.	*Claim 2*	*YES*	*NO X*
b.	*Claim 11*	*YES*	*NO X*
c.	*Claim 12*	*YES*	*NO X*
d.	*Claim 13*	*YES*	*NO X*
e.	*Claim 14*	*YES*	*NO X*

See Asyst Techs., Inc. v. Empak, Inc., Case No. C98-20451 JF, Docket Entry 1056, (N.D. Cal. Jan. 31, 2007).

Not only do these examples demonstrate how challenging special verdict questions on the obviousness issue can be, but even these attempts to drag explicit factual findings out of the proverbial "black box" do not adequately reflect the multidimensional nature of the factual inquiries set forth in *Graham*. For example, the questions of whether a product is commercially successful or whether the commercial success of a product is due to the merits of the claimed invention in many cases are better framed as a matter of degree, not as "yes" or "no" answers, *e.g.*, *how* successful was the product or *to what extent* the commercial success is due to the patented invention. Likewise, for a jury to answer whether there is a "long felt need" for the solution provided by the claimed invention, it must necessarily make silent findings regarding what alternatives were available before the invention, to what degree those alternatives failed to adequately addressed the problem, and how long the need was felt. Moreover, all of these factual inquiries must be viewed through the lens of a person of ordinary skill in the art, but the level of experience of that hypothetical person is often hotly disputed and not easily reduced to a binary "yes" or "no" question on a special verdict form. Yet, asking a jury of laypersons to unanimously answer such questions in essay format using special interrogatories might be even more cumbersome.

While one can certainly envision many circumstances where asking the jury to find specific facts is superior to abandoning the whole obviousness issue to the jury, such as where the only factual dispute is whether or when an article was actually published,[3] *Amici* hereby attest to the challenge it can be in many circumstances. Coupled with the Federal Circuit's governing caselaw, which promotes general verdicts of obviousness as described above, this unfortunate situation helps explain why litigants often acquiesce to general verdicts of obviousness and why this Court should grant certiorari to address this troubling state of affairs.

C. Unless this Court Clearly Instructs Judges to Independently Assess the Issue of Obviousness, General Verdicts Will Continue to Impede Judicial Review

As explained above, general verdicts are now the norm, but they stifle the consistency and uniformity of decision-making that is the hallmark of meaningful appellate review based on expressly found facts. Once rendered, a jury's general verdict on the legal question of obviousness can be difficult to evaluate because the court must *presume* that the jury resolved all the underlying facts in favor of the verdict winner and also must accord them every reasonable inference from the evidence. Moreover, in looking for substantial evidence in the record to

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[3] In a simple example, a jury might be asked a special interrogatory regarding whether an article that is undisputed invalidating if it qualifies as "prior art" in fact was published early enough to be prior art.

support a hypothetical set of facts that would support the jury's verdict, the district court is not always required to conduct a lengthy or thorough analysis and in some circuits this decision is reviewed only under an abuse of discretion standard. As noted by Judge Nies, "[t]he trial court's ruling on a JMOL motion may be no more than 'Denied.'" *See In re Lockwood*, *In re Lockwood*, 50 F.3d 966, 989 (1995) (Nies, C.J., dissenting from order denying rehearing en banc).

The Federal Circuit itself has referred to the "black box" nature of jury verdicts, observing that, when evaluating a jury's implicit factual findings regarding the issue of obviousness, it would be "impossible to determine" which pieces of evidence persuaded the jury. *McGinley*, 262 F.3d at 1356. In *McGinley*, for example, the panel majority concluded that there was sufficient evidence to support the jury's conclusion that the patent was not obvious, although it did not even venture a guess as to what evidence actually convinced the jury, and noted that "so long as the parties are content to give the jury unfettered room to operate on dispositive factual issues within the scope of a general verdict request," the appellate court must respect the verdict reached. *Id.*

In his dissent, however, Judge Michel criticized the "common, if unfortunate, practice of allowing the jury to render a general verdict on the ultimate legal conclusion of obviousness without requiring express findings on the underlying factual issues through a special verdict or special interrogatories under Fed. R. Civ. P. 49." *Id.* at 1358. He argued that such a verdict is "essentially immune" from judicial review.

Id. He presciently expressed concern "that after reading our majority opinion, trial courts and our panels will hereafter consider such general verdicts on obviousness immune from meaningful review and that serious legal errors by juries will thus go uncorrected . . . despite our settled case law that a jury's ultimate conclusion on obviousness is a legal question freely reviewable by judges." *Id.* at 1363.

The time is now ripe for this Court to intervene and provide much-needed guidance on what deference, if any, judges should give to a jury's verdict on the issue of obviousness.

II. This Court Should Resolve the Circuit Split and Provide Much-Needed Guidance Regarding the Proper Role of Juries in Making Obviousness Findings

In the wake of *Graham*, several Circuits grappled with the problem of allocating the decision-making responsibility for obviousness issues between judges and juries. Different Circuits had drastically different views on seeking jury findings regarding obviousness and consequently advocated different approaches to instructing juries. This not only highlights the tensions described above but also provides a separate reason that this Court should grant the petition for certiorari as the Federal Circuit has openly acknowledged that its precedent regarding the proper role of a jury in an obviousness inquiry is in conflict with the law of these other Circuits.[4] Because the Federal Circuit's jurisdiction

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[4] As noted by Petitioners, a split between Federal Circuit law and preexisting regional circuit law has been a factor considered by this Court in granting a petition for certiorari,

is national, there is no more percolation that can be expected.

For example, the Ninth Circuit sitting en banc held that a jury's role in deciding whether a patent is obvious under § 103 was limited to making the underlying factual findings because "the court must determine obviousness as a matter of law." *See, e.g., Sarkisian v. Winn-Proof Corp.*, 688 F.2d 647, 650 (9th Cir. 1982) (en banc). In *Sarkisian*, the court held that such findings of fact are made "preferably by detailed special interrogatories in jury trials, and by detailed findings in nonjury trials." *Id.* at 650. If only the legal question of obviousness is submitted to the jury, *i.e.*, "for its guidance," the verdict is advisory and the judge "retains the duty to decide the question independent of the jury's conclusion." *Id.* The Federal Circuit, however, expressly rejected the *Sarkisian* view "that a jury verdict on nonobviousness is at best advisory" and held that a court reviewing such a verdict should ask whether the jury's "presumed findings" could support its conclusion of nonobviousness. *Perkin-Elmer*, 732 F2d at 895 & n.5; *see also Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1234 (Fed. Cir. 1989 (criticizing the "discredited procedure of advisory verdicts" suggested by *Sarkisian*). *Amici* urge this Court to adopt the Ninth Circuit view that general verdicts on the obviousness question should be treated as advisory.

Likewise, the Seventh Circuit sitting en banc has observed that "obviousness is a question of law and

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most recently in *KSR*. *See* Petition for Writ of Certiorari, *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007) (no. 04-1350), 2005 WL 835463, at *20-21.

that in a patent case, as in any other case tried to a jury, questions of law are for the court and questions of fact are for the jury." *Roberts v. Sears, Roebuck & Co.*, 723 F.2d 1324, 1341) (7th Cir. 1983) (en banc). In *Roberts*, the Seventh Circuit criticized the district court because it did not treat a general jury verdict on obviousness as advisory and thereby "abdicated its control over the legal issue." 723 F.2d at 1342. The Court explained:

> Allocating between judge and jury of their respective decisional responsibilities may be accomplished by the use of special verdicts or special interrogatories or "*by the court's instructions to the jury before it returns a general verdict.*"

Id. at 1341 (quoting *Panther Pumps & Equip. Co. v. Hydrocraft, Inc.*, 468 F.2d 225 (7th Cir. 1972)) (emphasis in original). If a general verdict is sought, jury instructions must explicitly link factual findings with a particular result. In other words, the court must instruct the jury "that if it finds facts A, B, C, and D, it must render a certain verdict." *Id.* at 1341. In this manner, if the jury renders that verdict, it is implicit that the jury found facts A, B, C, and D in reaching that verdict. *See also id.* at 1347 (Posner, J., dissenting on other grounds) (agreeing that "the ultimate question of obviousness is for the court, not the jury, and that the jury's role is limited to deciding subsidiary fact questions, of the who-did-what-to-whom variety."). Yet, *Amici* can verify from experience that this mix and match "menu" approach is not practical for most cases.

The Fifth Circuit, on the other hand, advocated an approach similar to that now employed by the

Federal Circuit in *Control Components, Inc. v. Valtek, Inc.*, 609 F.2d 763 (5th Cir. 1980). There, the jury instructions included a lengthy description of the legal standard of obviousness to be applied, including a list of secondary factors the jury could take into consideration, but only sought a general verdict on obviousness. *Id.* at 766-67. On appellate review, the panel majority held that "jury findings on the factual underpinnings were implicit in the general verdict" and reviewed those factual findings for substantial evidence. *Id.* at 767. In his partial dissent, Judge Rubin argued that consideration of the *Graham* factors required "jury verdicts on special interrogatories, as permitted by Fed. R. Civ. P. 49(a);" otherwise, the question of patent validity will "effectively become a question for the jury, not one of law for the judge" with "implicit findings on non-obviousness" that cannot be reviewed unless the standard for judgment notwithstanding the verdict is used. *Id.* at 775 (Rubin, J., dissenting) (internal citation omitted). Afterwards, four judges thought that the case should be reheard en banc "because the issues it presents arise in every jury trial of a patent case." *Control Components, Inc. v. Valtek, Inc.*, 616 F.2d 892, 892 (5th Cir. 1980) (Brown, J., dissenting from order denying rehearing en banc).

Another panel of the Fifth Circuit later revisited this issue in *Baumstimler v. Rankin*, 677 F.2d 1061 (5th Cir. 1982) and agreed with Judge Rubin's reasoning that "a general verdict in a patent case deprives the appellate court of any meaningful review." *Id.* at 1071. The *Baumstimler* panel advocated the use of special interrogatories under Fed. R. Civ. P. 40(a). *Id.* The Eighth Circuit took a

similar approach. *See E.I. du Pont de Nemours & Co. v. Berkley and Co.*, 620 F.2d 1247, 1256 n. 5 (8th Cir.1980).

Finally, the Tenth Circuit had a completely different view, acknowledging that the ultimate issue of patent validity is a question of law, but holding that the statutory conditions of patentability such as novelty or nonobviousness are issues of fact. As such, question of obviousness may be submitted in its entirety to the jury and judicial review on judgment as a matter of law (or on appeal) would be limited to determining whether that verdict was supported by substantial evidence. *See, e.g., Norfin Inc. v. Int'l Bus. Machine Corp.*, 625 F.2d 357 (10th Cir. 1980).

In light of these widely-differing divisions of labor between judge and jury on the issue of obviousness, the Court should take this opportunity to resolve the Circuit split. This is a golden opportunity for the Court to clearly empower district judges to exercise their responsibility to resolve the obviousness issue without deferring to general jury verdicts.

III. Functional Considerations Favor Independent Judicial Review of Obviousness Issues

A. Because Patents Involve Public Rights, Obviousness Should be Adjudicated Independently by Judges

The public nature of the patent grant highlights the importance of the judicial role in resolving obviousness questions. From a historical perspective, a patent's validity was customarily

challenged in courts of equity in 18th century England. *See generally In re Lockwood*, 50 F.3d at 983-87 Nies, C.J., dissenting from order denying rehearing en banc). This is because a patent grant involves public rights rather than private rights: "the issuance of a valid patent is primarily a public concern and involves a 'right that can only be conferred by the government' even though validity often is brought into question in disputes between private parties." *Joy Techs., Inc. v. Manbeck*, 959 F.2d 226, 228 (Fed. Cir. 1992) (citing *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 604 (Fed. Cir. 1985).[5]

In *Lockwood*, for example, the issue was whether there is a right to jury trial on a counterclaim for declaratory judgment of patent invalidity. In her dissent from the denial of rehearing en banc, before this Court granted certiorari, then Chief Judge Nies emphasized that a patent was a "public right" created by Congress and "[a] constitutional jury right to determine validity of a patent does not attach to this public grant." *In re Lockwood*, 50 F.3d at 983 (Nies, C.J.). As noted above, this Court recognized

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[5] Administrative actions—such as the issuance of a patent by the United States Patent and Trademark Office—are always reviewed by a court, not a jury. See *Cox v. United States*, 332 U.S. 442, 453 (1947) (holding that "[t]he concept of a jury passing independently on an issue previously determined by an administrative body or reviewing the action of an administrative body is contrary to settled federal administrative practice"). Some commentators have claimed that there is empirical proof that juries are reluctant to ignore the imprimatur of the government on an issued patent. *See, e.g.*, Adam B. Jaffe & Josh Lerner, *Innovation and Its Discontents: How Our Broken Patent System Is Endangering Innovation and Progress*, at 125 (Princeton 2004) (arguing that juries have a pro-patentee bias).

the importance of this question and granted certiorari on interlocutory appeal, 515 U.S. 1121, but never had an opportunity to clarify whether patent validity should be decided by a judge or a jury because the private litigants in *Lockwood* mooted the issue.

Because this case presents a similar question and its procedural posture is more in line with the typical patent case, this Court should grant certiorari to address how the public nature of the patent grant may require judges to exercise their authority and fulfill their responsibility to evaluate the legal question of obviousness without deference to a jury's general verdict.

B. From a Functional Perspective, Judges are Better Suited than Juries to Decide the Legal Question of Obviousness

This Court has recognized that "functional considerations also play their part in the choice between judge and jury" as decision-makers. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388 (1996). In *Markman*, this Court addressed the question of claim construction (interpreting the scope of the patent right) and explicitly recognized that the analysis involved mixed questions of law and fact, but ultimately determined that judges were better equipped than juries to deal with the complicated process of construing terms in a patent. *Id.* at 388-90. The *Markman* Court also stressed the "importance of uniformity in the treatment of a given patent as an independent reason to allocate all issues of construction to the court." *Id* at 390.

For similar reasons, obviousness is an issue more appropriately decided by a judge instead of a jury. Regardless, a jury's general verdict on the question of obviousness, if sought, should be accorded no deference. District judges should be given the authority to fulfill their responsibility to resolve complex questions of obviousness, even though there may be factual underpinnings. Indeed, the line between fact and law in an obviousness determination can be very blurry. Although they have often been called fact-intensive inquiries, the *Graham* Court, for example, referred to the secondary considerations of commercial success, long felt need, and failure of others as "legal inferences or subtests" that "focus attention on economic and motivational rather than technical issues and are, therefore, more susceptible of judicial treatment than are the highly technical facts often present in patent litigation." *See Graham*, 383 U.S. at 35-36.

CONCLUSION

The Federal Circuit precedent which permits the legal question of obviousness to be submitted to a jury for consideration is not only in conflict with cases from this Court and from other circuits, but from a practical perspective results in an often-unworkable framework for instructing juries in the majority of patent cases. Given that reality, and the fact that this case is a good vehicle for resolving these issues, the Court should grant the petition and clarify the proper division of labor between a judge and a jury in determining whether an asserted patent is nonobvious under 35 U.S.C. § 103.

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